

RESOLUTION NO. 37-84

ALCHESAY DRIVE COUNTY IMPROVEMENT DISTRICT

RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF BONDS
AND PROVIDING FOR THE GIVING OF NOTICE THEREOF

WHEREAS, the Board of Directors adopted a Resolution of Intention to order certain improvements and following the posting and publication of Notice of the Adoption of the Resolution and publication of the Resolution the Board adopted an order directing that the work be done; and

WHEREAS, the diagram and assessment has been recorded, confirmed and a Treasurer's Return filed evidencing any pre-payment of any assessment; and

WHEREAS, all acts precedent to adopting this Resolution have been done; and

WHEREAS, the District has previously issued no Bonds; and

WHEREAS, the District now desires to issue not to exceed \$109,000.00 principal amount of said Bonds as Permanent Bonds; and

WHEREAS, by this Resolution the District will cause notice of the sale of the Bonds to be made and set a time and place certain to receive offers to sell said Bonds; and

WHEREAS, by this Resolution the Board of Directors of the District desires to:

- (1) authorize the issuance of Permanent Bonds in an amount not to exceed \$109,000.00
- (2) provide the form of Bond and prior redemption features
- (3) authorize the advertisement for offers to purchase bonds;
- (4) ratify all actions leading to the sale of the Bonds; and
- (5) set forth certain covenants with respect to the use of the Bonds proceeds,

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE
ALCHESAY DRIVE COUNTY IMPROVEMENT DISTRICT, NAVAJO COUNTY, ARIZONA:

Section 1. That Alchesay Drive County Improvement District Permanent Bond in the total principal amount of not to exceed \$109,000.00 (hereinafter referred to as the "Permanent Bonds" or the "Bonds") are hereby authorized to be issued and sold. The Permanent Bonds are to be dated April 1, 1984 to bear interest at a rate set forth in the bid, not to exceed fourteen percent (14%) per annum and in the demoninations of \$1,000.00 and \$5,000.00 as specified in the bid. The Permanent Bonds will mature in annual installments of principal on January 1, as set forth below.

<u>YEAR</u>	<u>PRINCIPAL AMOUNT</u>
1984	-0-
1985	\$5,000.00
1986	\$5,000.00
1987	\$10,000.00
1988	\$10,000.00
1989	\$10,000.00
1990	\$10,000.00
1991	\$14,000.00
1992	\$15,000.00
1993	\$15,000.00
1994	\$15,000.00
TOTAL	\$109,000.00

The first interest payment date shall be July 1, 1984 and interest shall be payable semiannually thereafter on each succeeding January first and July first thereafter.

Section 2. That for the purpose of providing for the payment of principal and interest on the Bonds and to create a fund for the purposes of redeeming the Bonds at their respective maturities, the Board of Directors of the District shall levy and collect annual assessment installments to be paid by the owners of properties within the District as shown on the confirmed assessment. This levy shall be the sole source of revenues used to retire these Bonds. All proceeds of such levies shall be placed in a fund to be created by the County Treasurer to be known as the Alchesay Drive County

Improvement District Special Bond Fund (hereinafter referred to as the "Bond Fund"). established pursuant to A.R.S. Sec. 11-732.

Section 3. The Superintendent of Streets shall annually calculate the annual assessment installments for each parcel of property within the District. If the owners of any parcel has either prepaid its assessment prior to the issuance of the Bonds, or paid off its assessment subsequent to the issuance of the Bonds, the annual assessment installment for that parcel shall be, from date of full payment of its assessment, zero dollars. The Superintendent of Streets shall annually include in the calculation of the annual assessment installments an amount equal to any prior years delinquency in the payment of the annual assessment installments plus an amount equal to the product of the total current annual assessment installments which must be collected to pay the annual principal and interest on the outstanding Bonds, times the ratio between the total amount of annual assessment installments levied for the prior year, less the amount collected the prior year divided by the total amount of the annual assessment installments for the prior year. This product shall then be reduced by the amount of annual assessment installments collected from prior years which were at the time of payment delinquent. In the first year an annual assessment installment is calculated, the Superintendent of Streets shall collect an amount, in addition to the amount of the first installment owing and due, equal to the amount of said annual assessment installment times the percentage of the delinquency on the payment of ad valorem taxes on the property contained within the boundaries of the District the prior year.

Section 4 That the Bonds shall be executed on behalf of the District by the Chairman of the Board of Directors and attested by the Clerk of the District and the seal of the District affixed thereto. The unpaid principal of the Bonds will bear interest at the rate specified in the accepted offers to purchase. The Chairman and Clerk are hereby authorized and directed to deliver the Permanent Bonds to the County Treasurer for delivery to the purchaser in accordance with the terms hereof. The Chairman and

the Clerk shall provide that the proceeds from the sale of the Permanent Bonds be deposited in the County Treasury to the credit of the District pursuant to Section 11-732, Arizona Revised Statutes, as amended. The County Treasurer is directed to apply the proceeds from the sale of the Permanent Bonds to provide for the payment of the costs of constructing the road improvements within the District in accordance with the approved plans, specifications and bid documents prepared by Standage and Truitt, Engineers, Show Low, Arizona.

Section 5. The Bonds shall be issued as registered Bonds registered both as to principal and interest, and the District shall enter into a Bond Registry Transfer and Paying Agent Contract for said Bonds with a qualified bank or other institution, and the terms of said agreement shall be imposed upon and binding upon the purchasers of said Bonds as beneficiaries of said agreement, as if fully set forth in this Resolution.

Section 6 Pursuant to Arizona Revised Statutes, Section 11-736 (E) any property owner subject to an assessment for the improvements described herein may, at any time subsequent to the sale of the bonds elect to pay off his assessment in full. The amount the owner so electing shall pay to the Treasurer to pay off his assessment in full shall be the sum of:

1. The amount of any delinquent installments of principal and interest, together with penalties, interest and costs due thereon.
2. Any installment of principal and interest which has been posted to the tax roll for the current fiscal year.
3. The unpaid balance of principal thereof, plus a premium of five-percent (5%).
4. An amount to be fixed by the Treasurer for publishing a notice calling the bonds, if notice is to be published.
5. Interest to the date of call on the amount of principal to be used for call, less the amount of interest provided in paragraph 2 of this subsection. If the amount of principal paid is in excess of the amount for which bonds may be called, additional interest shall be collected on the excess amount due an additional one year.

Section 7.

Upon receipt of any assessment payoff as provided in Section 6 hereof, the Treasurer shall determine whether or not there are sufficient funds from this payoff, and any others previously received but not used in full to call any bond or bonds, to advance the maturity of, and to call any currently outstanding bonds.

In the event that there is sufficient revenue to call any bond or bonds, the Treasurer shall follow the proceedings described below:

1. The Treasurer shall advance the maturity of the Bonds in the amount determined at the time of the prepayment of the assessments, to any interest payment date. The Bonds shall be called for par and a premium equal to five per cent (5%) of the principal amount of the Bonds called together with interest to the redemption date.
2. In selecting a Bond for retirement, the lowest numbered Bond of the annual series midway to the end of the Bond term shall be chosen. Successive Bonds shall be chosen from the lowest number of each annual series on either side thereof, so that the Bonds called shall be a pro rata part of each annual series after the one for which a levy has been posted to the county roll. The relationship of unpaid assessment to Bonds outstanding shall be disturbed as little as possible by the call of bonds. The decision of the Treasurer shall be final and conclusive.
3. The District Treasurer shall give written notice of advanced maturity, entitled "to whom it may concern", to the holder or owner of each Bond that is called, at least fourteen days prior to the day of call. The notice may be given by personal service, by registered mail addressed to the last known address of the holder or owner, or by one publication in a newspaper having circulation in the District or in a financial paper in the United States. When given by publication, it shall also be mailed to the last known address of the holder or owner and if not known then to the original purchaser of the Bonds.
4. If notice of advanced maturity is given, the bond shall mature and become payable on the date for maturity in the notice. The holder or owner of the Bond may surrender it prior to the date of advanced maturity and receive the principal and interest thereon to the date of payment.
5. If the Bond has not been sooner surrendered, on the date fixed for advanced maturity the District Treasurer shall set aside to the credit of the owner of the Bond the amount of principal and accrued interest then due on the Bond, and the

Bond shall then be deemed to have matured and interest shall cease to accrue on the Bond. The amount so set aside shall, upon demand and upon the surrender and cancellation of the Bond and all unpaid coupons thereof, be paid to the holder or owner thereof.

6. The cost of serving or publishing the notice of advanced maturity shall be paid from the redemption fund.

7. More than one Bond may be included in a single notice of advanced maturity. All Bonds called and redeemed shall be cancelled and destroyed.

8. Prior to the surrender of any Bond or the setting aside of any funds, the Treasurer may waive and vacate any notice of advanced maturity upon being tendered for cancellation some other Bond or Bonds of an equivalent amount and of a maturity not earlier than that notice, if ten days notice of his intention so to do is first given by mail or otherwise to the holder or owner of the Bond noticed for advanced maturity and such holder or owner has not objected to such action.

Section 8. That the Bonds to be issued shall be in substantially the following form, allowing those executing the Bond to make the insertions and deletions necessary to conform the printed Bond to this Resolution:

(Installment Bond Form)

UNITED STATES OF AMERICA

STATE OF ARIZONA

COUNTY OF NAVAJO

ALCHESAY DRIVE COUNTY IMPROVEMENT DISTRICT
PERMANENT BOND

NO. _____

\$ _____

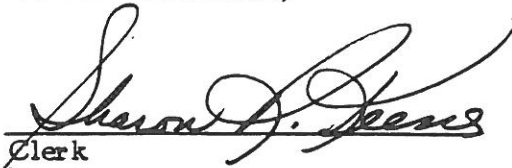
KNOW ALL MEN BY THESE PRESENTS, that the Alchesay Drive County Improvement District, Navajo County, Arizona, a duly organized Improvement District, promises to pay as hereinafter stated to the bearer hereof, on the ____ day of January, 19__ the sum of \$ _____ together with interest on said sum at the rate of _____ percent (__ %) per annum, payable semiannually on the first days of January and July of each year commencing on July 1, 1984, unless prior to the date of maturity this Bond is redeemed by the District. In the event of the redemption of this Bond the District will pay a premium equal to five Percent (5%) of the principal amount hereof. Both principal and interest are payable at the Office of the County Treasurer, Navajo County, Holbrook, Arizona. This Bond is issued pursuant to the laws of the State of Arizona, and is one of a series of Bonds of like tenor and date for the total sum of One-Hundred, Nine Thousand Dollars (\$109,000.00) issued for that certain improvement in said District consisting of improvement of the roads within the District to acceptable County standards so that the County will maintain them, initiated by Resolution of the Alchesay Drive County Improvement District, dated July 26, 1983 and is payable only out of the special fund to be collected from special assessments imposed on the lots, or parcels of land fronting on or benefited by said improvement. Said special fund is set apart by law for the payment of said Bonds, and can be used for no other purpose. It is hereby certified and declared that the improvement for which this series of Bonds is issued is authorized by law, that all the acts, conditions and things required to be done, precedent to and in the issuing of this series of Bonds, have been done and performed in regular and due form as required by the laws of the State of Arizona and all resolutions of said District, that the special assessments out of which said Bonds are to be paid are first liens on the property assessed, subject only to the lien for general taxes and prior special assessments, and any bona fide purchaser for value of this Bond has the right to rely on the recitals herein contained. For other assessment or reassessment, collection and payment of said special assessments, the full faith and diligence of said District are hereby irrevocably pledged.

IN WITNESS WHEREOF, Alchesay Drive County Improvement District, Navajo County, Arizona, has caused this Bond to be executed in its name by the Chairman of its Board of Directors and countersigned by the Clerk of the District, and the corporate seal of the District to be impressed hereon, and this Bond to be dated _____ 1, 19____.

ALCHESAY DRIVE
COUNTY IMPROVEMENT DISTRICT


Chairman, Board of Directors

COUNTERSIGNED;


Clerk

(SEAL)

Section 9. The Bonds shall be sold at public sale, to be held on Tuesday, the 13th day of March, 1984 at the hour of 10:00 o'clock A.M. at th Chambers of the Board of Supervisors, Navajo County Government Complex, Holbrook, Arizona. Written offers to purchase said Bonds will be received prior to the time of the sale and at the time of the sale the Board shall order the sale of said Bonds to those persons presenting offers which would result in the least total cost to the District.

Section 10. This Resolution shall be published two times in a newspaper of general circulation within the District and shall constitute Notice of the sale of Bonds and an invitation to bidders to bid thereon. Each bidder shall supply his own form of bid. The successful bidder shall supply the District accrued interest from April 1, 1984 to the last date of delivery of the Permanent or Temporary Bonds. If the temporary or Permanent Bonds are delivered prior to April 1, 1984, the District agrees to reduce the amount received for the Bonds by the amount of interest from the date of delivery to April 1, 1984. At the option of the buyer, the District may issue one Temporary Bond, in substantially the same form as the Permanent Bonds, Numbered T-1, for the entire

principal amount subject to all terms and conditions hereof and deliver the same to the purchaser prior to the preparation and delivery of the Permanent Bonds. However, in the event the Permanent Bonds are not printed, prepared and available by April 1, 1984 the successful bidder shall on April 2, 1984 take delivery of, and remit all payment to the District in accordance with his bid and this Resolution, and accept delivery of the above described Temporary Bond, to be substituted for the Permanent Bonds, when available. The Temporary Bond shall in all respects be entitled to the same benefits and security as the Permanent Bonds issued hereunder.

Each bidder shall submit with his bid a certified or cashier's check for one per cent (1%) of the amount of the bid, said amount to be held by the District and applied to the purchase of the Bonds by the successful bidder or retained as liquidated damages if said bidder refuses delivery of said Bonds or fails to make payment therefore in accordance with the terms hereof and returned to the unsuccessful bidders, upon delivery of the Permanent or Temporary Bonds to the successful bidder.

Each bid offered must offer to purchase all of the \$109,000.00 principal amount of Bonds, at an interest rate not in excess of fourteen percent (14%) per annum at not less than ninety-four percent (94%) of the par amount thereof, plus accrued interest as described above.

The Board of Directors reserves the right, in its discretion, to reject any and all bids received and to waive any irregularity or informality in the bids, except that the time for receiving the bids shall be of the essence, and the time for the delivery of the Permanent or Temporary Bonds and payment therefore on April 2, 1984, shall be of the essence.

Section 11. Unless all bids are rejected, the Bonds will be awarded to the bidder whose proposal results in the lowest net interest cost to the District, which will be determined by computing the aggregate amount of interest payable on the Bonds from April 1, 1984 to their respective maturities, plus any discount bid. Delivery of the

Temporary or available Permanent Bonds, will be made to the purchaser upon payment in United States Federal Funds at Phoenix, Arizona, or at any other place mutually agreeable to the District and the purchaser.

Section 12. Opinion of Bond Counsel. Simultaneously with the delivery of the Bonds to the buyer, the District will furnish to them the approving opinion letter of Bond Counsel, covering generally the Bonds issued and sold. Said letter will also contain the opinion of Bond Counsel that the interest on said Bonds is exempt from all federal income taxes and State of Arizona personal income taxes under existing statutes, regulations and court decisions.

Section 13. Waiver of Published Notice of Redemption. By taking delivery of the Bonds, the holder agrees, as long as it holds said Bonds, to waive the requirement of a published notice of redemption of the whole or any installment of said Bonds.

Section 14 In order to facilitate the sale of said Bonds an official statement has been prepared and the Chairman is hereby authorized and empowered to execute the draft as presented this date, and any subsequent draft containing any amendments not expressly altering the representations therein contained.

Section 15. In case any Bond shall become mutilated or destroyed, stolen or lost, the District may subject to the registration agreement in its discretion, issue and deliver a new Bond of like tenor as the Bond so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond, or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the holder furnishing the District proof of his ownership thereof and satisfactory indemnity (but in no event shall such indemnity be in an amount less than the principal amount of such destroyed, lost or stolen Bond and the interest due and to become due on such Bond to maturity) and complying with such other reasonable regulations and conditions as the District may require. All Bonds so surrendered shall be cancelled by the Treasurer of Navajo County, Arizona and held for the account of the

District. If any such Bond shall have matured or be about to mature, instead of issuing a substituted Bond, the District may pay the same upon being indemnified as aforesaid, and if such Bond be lost, stolen or destroyed, without surrender thereof.

Any such duplicate Bonds issued pursuant to this Section shall constitute additional contractual obligations on the part of the District whether or not the lost, stolen or destroyed Bonds be at any time found by anyone, and such duplicate Bonds shall be entitled to equal and proportionate benefits and rights as to lien on and security for payment from said special assessments with all other Bonds issued hereunder.

Section 16. This resolution constitutes a contract with the holders of the Bonds. Subsequent to delivery of any of the Bonds authorized herein, no material modification or amendment of this Resolution or of any resolution amendatory hereof or supplemental hereto, may be made without consent in writing of the holders of at least two-thirds in principal amount of the Bonds then outstanding; provided, however, that no modification or amendment shall permit a change in the maturity of such Bonds or a modification in the rate or rates of interest hereon, or affecting the unconditional promise of the District to pay the principal of and interest on said Bonds as they shall become due from the monies of the Special Bond Fund, or reduce the percentage of Bondholders required to consent to any material modification or amendment of this resolution, without the consent of all of the holders of such Bonds.

Section 17. If then permitted by law, the District may issue obligations for the purpose of refunding the Bonds or for any other lawful purpose payable from the assessments deposited in the Special Bond Fund to be created pursuant to this Resolution, provided that prior to or simultaneously with the issuance of such obligations there shall have been irrevocably deposited with the Treasurer of Navajo County, Arizona or a bank or trust company and pledged to the payment of the Bonds, cash in an amount sufficient or direct obligations of, or obligations fully guaranteed by, the United States of America, the principal of and interest on which will be sufficient to pay the principal of and

interest on the Bonds as and when the same shall become due and payable

Section 18. This Resolution shall take effect immediately.

PASSED AND ADOPTED THIS 21st day of February, 1984, by the Board of Directors of Alchesay Drive County Improvement District, Navajo County, Arizona.


Chairman

Attest:



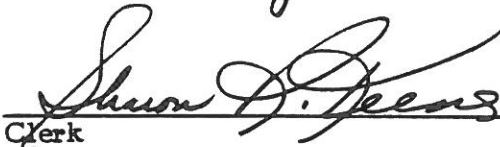
CERTIFICATE

I, the Clerk of the Board of Directors, of the Alchesay Drive County Improvement District of Navajo County, Arizona, do hereby certify that Resolution No 3794 entitled:

RESOLUTION AUTHORIZING AND PROVIDING FOR THE
ISSUANCE AND SALE OF BONDS TO BE DESIGNATED
ALCHESAY DRIVE COUNTY IMPROVEMENT DISTRICT
PERMANENT BONDS IN THE PRINCIPAL AMOUNT OF NOT
TO EXCEED \$100,000.00, AND PROVIDING FOR THE
PAYMENT OF THE PERMANENT BONDS.

was duly adopted by the Board of Directors of the Alchesay Drive County Improvement District at a meeting of the said Board held on February 21, 1984, at which time a quorum of said Board was present.

This Certificate dated as of this 21st day of February, 1984.



Clerk
Board of Supervisors
Navajo County, Arizona

AL:ResBond